

U. S. TREASURY DEPARTMENT
Internal Revenue Service
Washington 25, D. C.

December 7, 1955

Alcohol and Tobacco Tax Division
Industry Circular No. 55-40

Stamped Tobacco Products
Transferred Between Factories

Manufacturers of tobacco, cigars, and cigarettes:

1. The purpose of this industry circular is to advise you of the procedure with regard to transfers of stamped (taxpaid) packages of tobacco products between factories for the purpose of consolidating shipments of such products.
2. Requests for authority to transfer stamped packages of tobacco products between factories have been made to the National Office. Such transfers are not prohibited by the regulations, will not endanger the revenue, and may be made under the following procedures.
3. Where you desire to take into the bonded premises of your factory stamped packages of the same kind of tobacco product as you manufacture in such factory, which are transferred from another factory, it will be necessary for you to make application to, and receive permission from, the Assistant Regional Commissioner, Alcohol and Tobacco Tax, for the region in which your factory is situated, to take the stamped packages into the bonded premises of your factory. Such application shall set forth the identity of the manufacturer shipping the stamped packages of tobacco products and the quantity, kind, and class designation thereof (in the case of large cigars) to be received in your bonded factory premises. If you desire to receive a number of such shipments into the bonded premises of your factory, it will be agreeable to this office for the appropriate Assistant Regional Commissioner to grant blanket authority to you to receive into the bonded premises of your factory stamped (taxpaid) tobacco products transferred from other factories, provided you furnish to the Assistant Regional Commissioner, with respect to each lot or shipment received, the information indicated above.
4. In connection with the revenue accounting for stamped tobacco products transferred from the bonded premises of one factory to the bonded premises of another factory, such products and tax stamps affixed thereto should be reported in the revenue records of the factory, from which such products are removed for purposes of transfer, in the usual manner. Such products and the tax stamps should be reported in the usual manner on appropriate monthly reports, Form 2134 or 2136, of the same factory as "Removed Tax Paid" and "Affixed to Packages Removed."

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5. In the case of your factory receiving transferred taxpaid tobacco products, the revenue records, Form 73 or 74, of your factory should be modified by changing the heading of one of the unused columns to read "Received from Other Factories" and appropriate entry should be made in this column to show total quantity of each lot of stamped tobacco products received into the bonded premises of your factory. The entry in the revenue record should be supported by an appropriate notation indicating the factory from which these cigars are received. The tax stamps involved should be taken up in the revenue record of your factory by separate appropriate entries under stamps purchased. When such transferred stamped tobacco products are subsequently removed from your factory, separate appropriate credit entries should be made in your revenue record, in the proper columns covering products removed taxpaid. Separate credit entries should also be made in your revenue record under stamps "Used" to show the value of the tax stamps attached to such products removed. Pending revision of Forms 2134 and 2136, such tobacco products should be reported separately on the proper monthly report, Form 2134 or 2136, under products removed, in the appropriate columns, with a notation "Formerly Received." The stamps attached to the products removed should be reported in the same monthly report, separately, in the proper columns under stamps affixed to packages removed.

6. Inquiries in regard to this industry circular should refer to the number thereof and should be directed to the appropriate Assistant Regional Commissioner, Alcohol and Tobacco Tax.


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